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PERSPECTIVES

ON LABOUR AND INCOME

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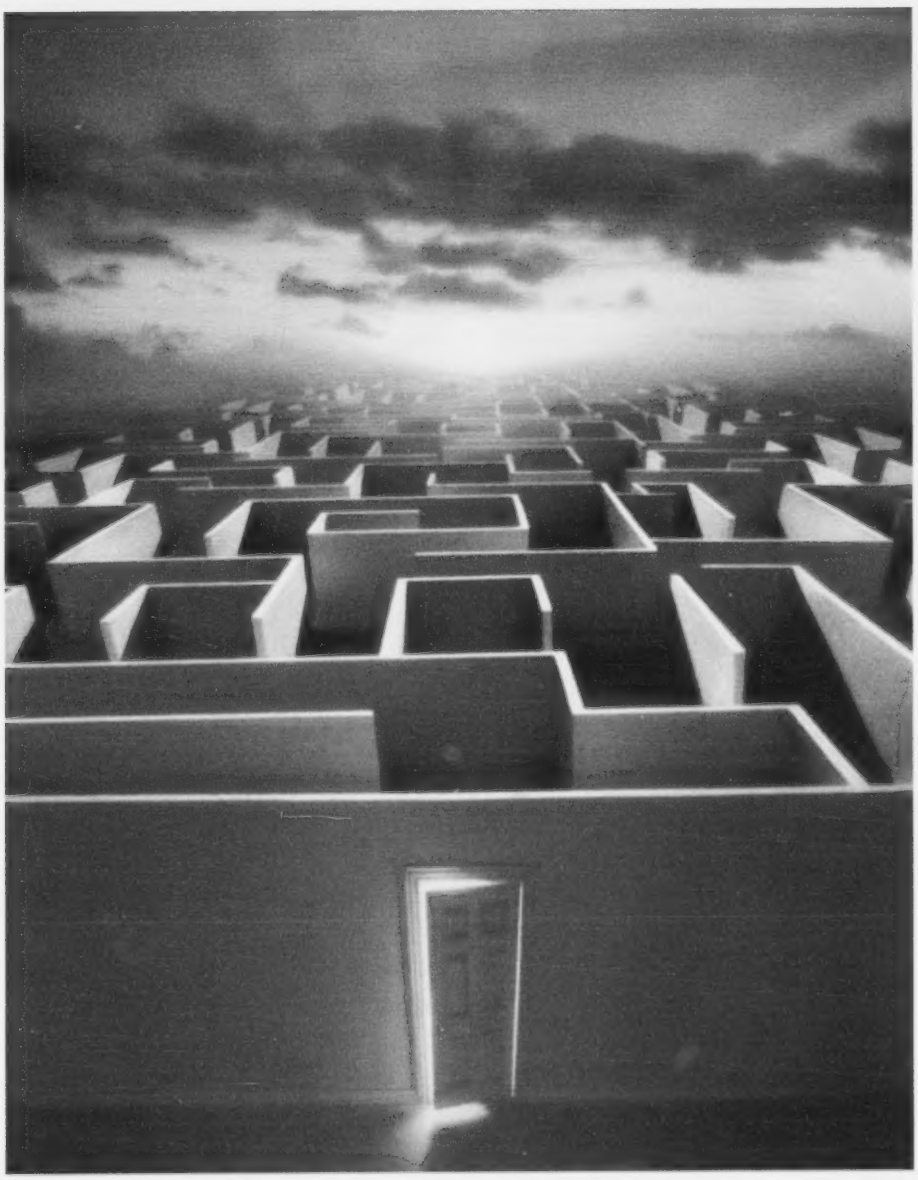
■ FAMILY WEALTH ACROSS THE GENERATIONS

■ PRECARIOUS JOBS: A NEW TYPOLOGY OF EMPLOYMENT



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Highlights

In this issue

Family wealth across the generations

- In 1999, families whose major income recipient was born in the 1940s had the highest mean wealth ($291,600); those with one born in the 1960s had the lowest ($110,900). This is consistent with the well-known pattern of wealth being low for younger families and peaking in the pre-retirement years.
- Between 1984 and 1999, total wealth declined for families with a major income recipient born before 1930.
- During the same period, the proportion of families with $500,000 or more in net worth doubled, but their share of wealth increased only 40%.
- Even though some generations of families saw their wealth increase more than others, overall wealth inequality was static. Home equity helped to reduce wealth inequality.

Precarious jobs: A new typology of employment

- Between 1989 and 1994, the share of the workforce aged 15 and over engaged in part-time work, temporary work, own-account self-employment, or multiple jobholding grew from 28% to 34%. Since then, it has hovered around this level.
- The rise in non-standard employment in the early 1990s was fuelled by increases in own-account self-employment and full-time temporary paid work. Although employees with full-time permanent jobs still accounted for the majority of employment, this kind of work became less common, dropping from 67% in 1989 to 64% in 1994 and 63% in 2002.
- In 2002, women accounted for over 6 in 10 of those with part-time temporary jobs or part-time self-employment (own-account or employers) and for nearly three-quarters of part-time permanent employees.

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Family wealth across the generations

Raj K. Chawla and Henry Pold

FOR SOME, THE ACCUMULATION OF WEALTH is life's primary scorecard. For others, a cushion of savings and investments can help smooth out spikes and troughs in employment earnings or household expenditures. For most, building up sufficient assets to live comfortably in retirement is a cornerstone of family finances. Governments, too, support these goals by offering tax incentives for retirement and education savings, as well as exempting principal residences from capital gains tax.

Technically speaking, wealth is a stock—accumulated assets at a point in time—as opposed to a flow—regular earnings from a job, for example (Augustin and Sanga 2002). Lottery winnings and stock market bubbles aside, most wealth is accumulated over long periods by spending less than one earns and compounding investment returns on past savings. Over time, the vagaries of the economy can both help and hinder wealth accumulation, often with different effects for different types of families.

The period from 1984 to 1999 witnessed dramatic economic fluctuations, beginning with recovery from a recession in 1981-82 and including a plunge back into another in 1990-91. The 1981-82 recession was the more severe. Real gross domestic product (GDP) fell by 2.6%, unemployment rose to 11.0%, and the bank rate hit 17.93%. The 1990-91 recession, on the other hand, saw a GDP drop of 1.4%, unemployment of 10.3%, and a bank rate of 13.04% (Statistics Canada 2002). During recessionary periods, family incomes usually drop. The median pre-tax family income (in 1999 dollars) dropped by 3.7% during the 1981-82 recession and by 5.3% during the 1990-91 recession.[1]

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The business cycle and other economic developments during the 1984-1999 period obviously affected family incomes and wealth. Real pre-tax family income increased steadily from 1984 to 1989, reaching $58,100. Mean incomes then dropped until 1997. In 1998, families recaptured their 1989 income level.[2] Meanwhile, unemployment plummeted from 11.3% in 1984 to 7.6% in 1999 and the bank rate from 11.31% to 4.92%. The steady drop in the bank rate may have encouraged more families to borrow for a home or to invest—total household credit increased from $161 billion in 1984 to $578 billion in 1999. Mortgages on owner-occupied homes accounted for almost three-quarters of the increase. House prices rose dramatically as the new housing price index (1992=100) jumped from 67.8 in 1984 to 101.0 in 1999.

A steadily improving economy also provided an impetus to invest in stocks. The volume of shares traded on the Toronto Stock Exchange jumped from 2.1 billion in 1984 to 29.3 billion in 1999; the price–earnings ratio peaked at 88.51 in 1993. Furthermore, to encourage saving for retirement and children's postsecondary education, amounts eligible for tax sheltering increased—from $7,500 in 1990 to $15,500 by 2005 for registered retirement savings plans (RRSPs), and $4,000 per year to a maximum of $42,000 (supplemented with a maximum yearly grant of $400 from the federal government) for registered education savings plans (RESPs).[3]

Not all families benefited equally. Among those who gained or lost, which asset and debt components were affected? How did the overall family balance sheet change? Did the overall distribution of wealth become more or less equal? To answer such questions, two approaches are possible. One is to compare wealth and its components by using 'similar' families from the 1984 and 1999 surveys (see *Data sources and definitions*). Groups can be defined by age or education of the major income recipient, type of family, or other characteristics of interest. The fundamental problem

Data sources and definitions

The analysis is based on two separate surveys that collected information on incomes, assets and debts: the **Survey of Consumer Finances** (SCF), conducted in May 1984, and the **Survey of Financial Security** (SFS), conducted between May and July 1999. Each survey collected information on family demographics, assets and debts at the time of the survey, and income during the preceding calendar year. Each survey covered private households across the 10 provinces. Excluded were persons living on Indian reserves, members of the armed forces, and those living in institutions such as prisons, hospitals, and homes for seniors.

The 1984 SCF was strictly a regular area sample whereas the 1999 SFS was supplemented by a small sample of 'high-income' households with a view to improving wealth estimates at the upper end of the income distribution. Financial data were sought from the family member most knowledgeable about the family's finances. Besides the difference in samples, the two surveys varied somewhat in terms of non data-related issues such as the unit of data collection, and in questionnaire content, which affected the conceptual comparability of financial data (for details, see Chawla 2003).

The SFS was much more comprehensive than the SCF.[4] It asked not only about types of assets and debts not covered in 1984 but also coverage under employer pension plans in order to estimate wealth held in such plans. For the current analysis, comparable concepts of wealth were used.

The SCF data were re-weighted using the SFS weighting procedure, and all 1984 financial data were converted to 1999 dollars. For this study, the sample sizes were 13,237 families and unattached individuals in 1999 and 14,029 in 1984.

Family refers to economic families and unattached individuals. An economic family is a group of persons sharing a common dwelling and related by blood, marriage, common law, or adoption. An unattached individual lives alone or with unrelated persons.

The **major income recipient** is the person in the family with the highest income before tax. If two persons had exactly the same income, the older one was selected.

Pre-tax family income is the sum of incomes from all sources received during the calendar year by family members aged 15 and over. Sources include wages and salaries, net income from self-employment, investment income, government transfers, retirement pension income, and alimony. Excluded are income in kind, tax refunds, and inheritances.

Liquid assets are deposits held in chequing and savings accounts, fixed term deposits, guaranteed investment certificates, Canada Savings Bonds (including accrued interest), and other bonds.

Registered savings comprise registered retirement savings, registered homeownership savings, registered education savings, and deferred profit-sharing plans.

Other financial assets are mortgages held, loans to other persons and businesses, and other financial and miscellaneous assets.

Total financial assets are the sum of liquid assets, registered savings, the value of stocks and mutual funds, and other financial assets.

Total non-financial assets are the sum of the market value of the owner-occupied home, business equity, market value of vehicles (including recreational) owned, and other non-financial assets including all real estate other than the home.

Business equity is the market value of business assets less the book value of debt outstanding.

Total debt comprises mortgage debt on the home, student loans, and all other debt.

All other debt is the amount owed on credit cards, instalment debt, loans on vehicles and household goods, loans from financial institutions (including home equity and other lines of credit), mortgages on real estate other than the home, and other unpaid bills.

Wealth is total assets minus total debt. It is based on marketable assets that are in direct control of families. It does not include the accrued value of savings held in employer pension plans or future claims on publicly funded income security programs. Nor does it include any potential returns on human capital (employment income or ability to generate investment income).[5]

Mean wealth is aggregate wealth divided by the total number of families. (Since means and other estimates of wealth are compiled from household surveys, these are subject to both sampling and non-sampling errors.)

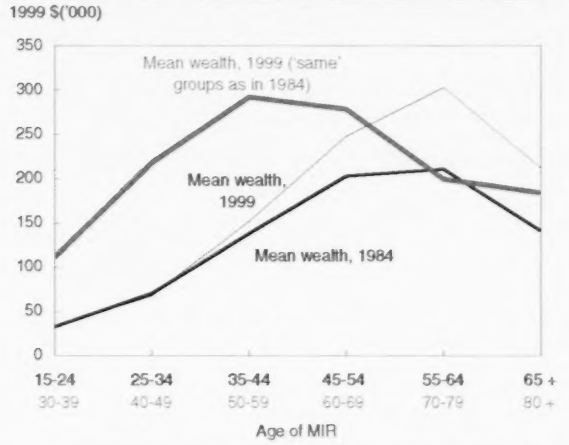
Median wealth is the value at which half the families have lower values and half have higher. Unlike the mean, the median is not affected by extreme values.

The **Gini coefficient** is a measure of inequality in a distribution. It lies between 0 (no inequality) and one (total inequality). Thus, the closer the Gini coefficient is to 1.0, the greater the inequality in the distribution.

The **coefficient of skewness** measures the asymmetry in a distribution; the larger the value, the more asymmetric the distribution. The coefficient is zero for a symmetric distribution.

with this approach is that one would be comparing different families at different times (embodying the effects of demographic and economic trends). The only thing in common would be the classification characteristic and that, too, 15 years apart. Using age of the major income recipient, for example, the age–wealth profiles of families in 1984 and 1999 were similar (Chart A). In both years, wealth increased with age, reaching its peak during the pre-retirement years (the 55 to 64 age group) and then declining. The only observable difference was that 1999 mean wealth was equal or higher than in 1984.

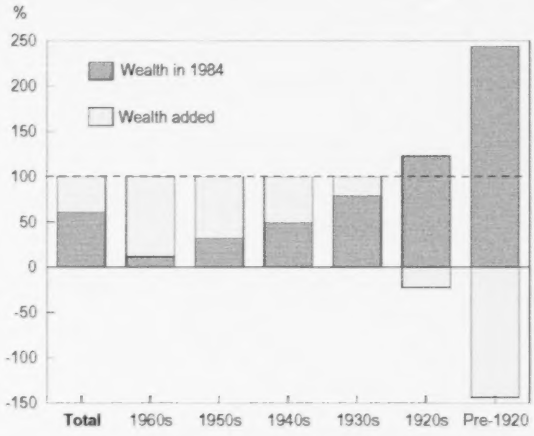
Chart A: Family wealth peaks in the pre-retirement years of the major income recipient.



Sources: Survey of Consumer Finances, 1984; Survey of Financial Security, 1999

Another approach is to use cohorts based on the age of the major income recipient (see *Family cohorts*). This method shows that over the 1984-1999 period, mean family wealth rose for families with a major income recipient under 45 in 1984 and dropped for those with one aged 45 to 54. The wealth held by each cohort in 1999 was its wealth in 1984 plus that added over the next 15 years. Not surprisingly, new wealth as a proportion of total wealth in 1999 decreased from the 1960s cohort to the 1930s cohort—from 89% to just 21% (Chart B). The 1920s and pre-1920 cohorts lost wealth over the period.

Chart B: Between 1984 and 1999, family wealth declined for the two oldest cohorts.*



Sources: Survey of Consumer Finances, 1984; Survey of Financial Security, 1999
** Cohorts based on age of major income recipient in 1984.*

Asset and debt changes

1960s cohort

In 1984, this cohort of young families, nearly half of them unattached individuals and only one-fifth living in an owned home, had total wealth of $31 billion (Table 1). By 1999, 61% were living as two-spouse families, and 60% owned a home (Table 2).[7] Their mean income had increased from $28,000 to $54,300, so more were also able to save—the proportion with RRSP or RESP holdings jumped from 12% to 67%. Families in this cohort also expanded their portfolios into non-registered investments as the proportion with business interests rose by 16 percentage points and the proportion with stocks and mutual funds by 17 points. These three assets plus home equity accounted for 86% of their newly amassed wealth of $243 billion; home equity alone accounted for 35%. While this group accounted for 56% of new non-financial assets over the 1984-1999 period, they were responsible for just 18% of new financial assets.

1950s cohort

Families in this cohort added the most new wealth—$372 billion. Their mean income rose from $45,300 to $63,700. More owned a home (up 26 percentage points) or a business (up 13 points), and had

Family cohorts

To study changes in family wealth over time, the ideal source would be a longitudinal survey. However, using two surveys conducted at different times allows the creation of groups of families—cohorts—sharing a common characteristic. The usual classifying characteristic is the age of a person—in this study, the major income recipient—at the time of the 1984 survey. While other characteristics such as the type of family, area of residence, or income level may change over time and contaminate the concept of a cohort, a person's age is least volatile and easy to use.

To avoid the problem of a family of two or more changing over time into two or more unattached individuals or vice versa, families and unattached individuals are used collectively as a unit of analysis. Given the range of age groups, the major income recipient may have changed, especially if one spouse retired and the other continued to work. Families with a major income recipient who was under 30 or who immigrated to Canada after 1984 were excluded from the 1999 data (accounting for 21% of families in 1999 and 6% of the wealth).[6] No adjustment was made for emigrants who left after June 1984, or for those who may have been temporarily away between 1984 and April 1999. By 1999, the 1960s cohort may have included families whose major income recipient was treated in 1984 as a child aged 15 or over or other family member. Since the likelihood of marrying, separating, divorcing or living alone is very high among those under 40, findings for the 1960s cohort should be interpreted with caution.

Cohorts were created as follows:

	Age of major income recipient	
	in 1984	in 1999
1960s cohort	15 to 24	30 to 39
1950s cohort	25 to 34	40 to 49
1940s cohort	35 to 44	50 to 59
1930s cohort	45 to 54	60 to 69
1920s cohort	55 to 64	70 to 79
Pre-1920 cohort	65 and over	80 and over

Table 1: Income and wealth (1999 $) of families by cohort

	Total	1960s	1950s	1940s	1930s	1920s	Pre-1920
1984							
Families ('000)	9,500	1,000	2,500	1,900	1,400	1,200	1,500
Total income ($ millions)	435,800	27,000	111,800	111,100	85,500	61,800	38,600
Total wealth ($ millions)	1,224,200	31,200	172,600	263,400	282,500	262,500	212,000
				%			
Families	100.0	10.2	26.0	20.2	14.7	13.1	15.9
Total income	100.0	6.2	25.7	25.5	19.6	14.2	8.9
Total wealth	100.0	2.5	14.1	21.5	23.1	21.4	17.3
Mean income ($)	45,900	28,000	45,300	58,000	61,200	49,500	25,600
Mean wealth ($)	128,900	32,300	69,900	137,600	202,400	210,300	140,700
Mean wealth/income ratio	2.81	1.15	1.54	2.37	3.31	4.25	5.49
1999							
Families ('000)	9,700	2,500	2,500	1,800	1,300	1,100	500
Total income ($ millions)	519,900	134,400	159,400	119,500	54,900	38,800	12,900
Total wealth ($ millions)	2,015,600	274,400	544,400	536,300	359,300	214,200	87,000
				%			
Families	100.0	25.6	25.9	19.0	13.4	11.1	4.9
Total income	100.0	25.9	30.7	23.0	10.6	7.5	2.5
Total wealth	100.0	13.6	27.0	26.6	17.8	10.6	4.3
Mean income ($)	53,800	54,300	63,700	65,000	42,500	36,100	27,300
Mean wealth ($)	208,700	110,900	217,600	291,600	278,000	199,000	183,600
Mean wealth/income ratio	3.88	2.04	3.42	4.49	6.55	5.52	6.72
				%			
Total income	100.0	127.7	56.5	10.0	-36.4	-27.3	-30.5
Total wealth	100.0	30.7	47.0	34.5	9.7	-6.1	-15.8

Sources: Survey of Consumer Finances, 1984; Survey of Financial Security, 1999

Table 2: Selected characteristics of families by cohort

	Total	1960s	1950s	1940s	1930s	1920s	Pre-1920
1984				%			
Homeowner							
No	42.1	79.4	53.7	31.6	26.2	26.4	40.2
Yes, no mortgage	29.4	9.4	11.5	22.0	36.3	52.7	55.3
Yes, with mortgage	28.5	11.2	34.8	46.4	37.4	20.9	4.5
Family type							
Unattached individual	28.3	48.4	26.8	15.0	15.0	24.8	50.2
Two-spouse	60.6	36.3	62.2	73.3	74.1	68.1	38.7
Lone-parent	4.5	6.5	6.3	7.4	4.1	0.8	0.0
Other	6.6	8.9	4.7	4.4	6.7	6.3	11.1
Business interests							
Yes	14.2	6.9	13.9	19.3	19.6	16.1	6.0
No	85.8	93.1	86.1	80.7	80.4	83.9	94.0
Registered savings plan							
Yes	30.0	12.2	28.4	34.8	44.1	43.7	13.7
No	70.0	87.8	71.6	65.2	55.9	56.3	86.3
Stocks/mutual funds							
Yes	13.3	4.8	11.4	14.3	18.1	18.2	12.4
No	86.7	95.2	88.6	85.7	81.9	81.8	87.6
1999							
Homeowner							
No	31.3	39.9	28.1	24.9	25.9	31.6	42.2
Yes, no mortgage	33.8	10.2	24.3	38.1	59.0	62.7	55.8
Yes, with mortgage	34.9	49.9	47.6	37.0	15.2	5.7	2.0
Family type							
Unattached individual	29.4	24.1	21.1	24.8	35.2	46.8	63.1
Two-spouse	59.0	61.4	65.5	66.3	55.8	43.2	27.9
Lone-parent	4.8	9.7	7.4	2.4	0.0	0.0	0.0
Other	6.8	4.8	6.1	6.6	9.0	10.0	9.0
Business interests							
Yes	20.3	22.5	26.7	26.3	13.6	5.9	3.5
No	79.7	77.5	73.3	73.7	86.4	94.1	96.5
Registered savings plan							
Yes	58.8	67.4	72.3	71.9	58.7	9.8	3.3
No	41.2	32.6	27.7	28.1	41.3	90.2	96.7
Stocks/mutual funds							
Yes	23.0	21.5	23.5	27.5	24.9	18.5	16.1
No	77.0	78.5	76.5	72.5	75.1	81.5	83.9

Sources: Survey of Consumer Finances, 1984; Survey of Financial Security, 1999

savings in registered plans (up 44 points), or stocks and mutual funds (up 12 points). These four assets contributed 90% of the wealth amassed by this cohort between 1984 and 1999; home equity alone accounted for 33%. These families possessed 57% of the total new non-financial assets and 31% of financial assets.

1940s cohort

Mean family income in this cohort rose marginally, from $58,000 in 1984 to $65,000 in 1999. The rate of homeownership increased only 7 percentage points, as did business ownership. On the other hand, registered savings jumped 37 points, and stocks and mutual funds 13 points. Nearly 10% of homeowning families had discharged their mortgage, with the released funds likely saved in registered plans as well as stocks and mutual funds, which accounted for 55% of the new wealth for this cohort. This cohort owned more of the new financial assets (36%) than non-financial assets (23%). Of the added value of stocks and mutual funds between 1984 and 1999, these families accounted for 30%.

1930s cohort

Because many major income recipients in this cohort would have retired by 1999, mean family income fell from $61,200 to $42,500. The proportion living in mortgage-free homes went up 23 percentage points, and a small proportion had wrapped up their business activities. Some business equity was likely converted into financial assets. Registered savings plans, and stocks and mutual funds accounted for 125% of the total added wealth for this cohort.[8] One-fifth of the total additional value of stocks and mutual funds belonged to this cohort.

1920s cohort

Most families in this cohort had likely experienced the retirement of their major income recipient. Their mean family income dropped from $49,500 in 1984 to $36,100 in 1999, and mean wealth from $210,300 to $199,000. Some of the loss could be attributed to demographic change, since a portion of two-spouse families became unattached individuals (likely with the death of a spouse), and homeownership dropped by 5 percentage points. The proportion of families with no mortgage went up 10 points, and business activity dropped 10 points. Overall, the group lost $48 billion from its 1984 wealth, largely because of drops in business equity and registered savings plans.[9] On the other hand, they added $20 billion to their stock and mutual fund holdings—some 12% of the total additional value. Families in this cohort accounted for 26% of the drop in liquid assets over the 1984-1999 period.

Before 1920 cohort

Examining this cohort's change in wealth is tantamount to looking at the change in the wealth situation of families considered elderly in 1984. Even though their mean income moved up marginally from $25,600 in 1984 to $27,300 in 1999 (largely because of indexed government transfer payments) and mean wealth from $140,700 to $183,600, their aggregate wealth fell $125 billion.[10] Most of the loss in wealth (which excludes $4 billion held in annuity plans) reflected declines in home and business equity and financial assets (except stock and mutual fund holdings, which gained $5 billion). With aging, families tend to wrap up business activities. Some sell their home (either because of poor health or a lack of resources to maintain a home) and move into rental accommodation (40% in this cohort were renting in 1984 and 42% in 1999). Over time, this cohort also went through demographic changes as two-spouse families declined and unattached individuals increased (from 50% to 63%).

Wealth of 1984 cohorts in 1999

Although income and wealth are strongly associated, they do not necessarily move in the same direction for all families over time. For example, a family's income may drop in retirement, but its wealth may still increase because of a rising market value for their home. This may, in turn, result in a higher wealth-to-income ratio—an indicator of economic well-being. For each dollar of income, the pre-1920 cohort had $5.49 of wealth in 1984, rising to $6.72 by 1999. For the 1960s cohort, on the other hand, the wealth-to-income ratio moved from $1.15 to $2.04. The 1930s cohort had the largest increase—from $3.31 to $6.55. On the basis of the wealth-to-income ratio, the 1930s cohort appears to have fared the best.

The 1940s cohort had the highest mean wealth ($291,600) in 1999, the 1960s cohort had the lowest ($110,900). This pattern is consistent with the well-known relationship between wealth and life cycle—wealth is low for younger families and peaks in the pre-retirement years when major income recipients are in their late 50s or early 60s. Mean wealth in 1984 was highest for families in the 1920s cohort ($210,300) and lowest for those in the 1960s cohort ($32,300). Despite all the changes in asset holdings and demographics, the range in mean family wealth from the 1960s cohort to the pre-1920 cohort did not change much—$178,000 in 1984 compared with $180,600 in 1999.

Over the 1984-1999 period, the 1940s cohort made the greatest absolute gain ($153,900) in mean wealth, whereas the 1960s cohort gained the most in relative terms—244%. The sources of change in wealth differed between the various cohorts. For the 1960s cohort, most (71%) of the change arose from the rates of ownership of assets and debts, whereas for the 1930s cohort, it came from the amounts (86%) within asset and debt categories. These differences confirm that the process of building wealth by solidifying assets and reducing liabilities is much stronger during pre-retirement years.

Family balance sheets

The overall mix of wealth held by families changes as the major income recipient approaches retirement. The 1940s cohort had 66 cents of every dollar of assets in 1999 in non-financial assets (such as a home, vehicles or business equity) and 34 cents in financial assets, compared with 86 cents and 14 cents in 1984.

For the 1960s cohort, non-financial assets constituted 84% of assets in 1984, which dropped to 79% by 1999. For the oldest cohort, the corresponding proportions were 65% and 53%. In fact, the pattern seems to be universal: As a family ages, non-financial assets drop as a proportion of total assets, and financial assets push steadily upward (Table 3).

For all cohorts, market value of an owner-occupied home was the major non-financial asset, becoming more valuable over time. Business equity was the second most important, but its representation in total asset holdings fell in all cohorts; the greatest drop, 16 percentage points, was experienced by the 1930s cohort. With the recession and economic recovery between 1984 and 1999, some families in this cohort wrapped up their businesses (the ownership rate fell from 20% to 14%) and likely converted part or all of the equity into financial assets. A similar pattern prevailed for the 1920s cohort.

The composition of financial assets also varied by cohort. For example, over the 1984-1999 period, the share of liquid assets declined for the 1960s cohort, while registered savings plans and stocks and mutual funds increased. In the 1920s and pre-1920 cohorts both liquid assets and registered savings declined as stocks and mutual funds increased.[11] For example, while stocks and mutual funds accounted for only 10% of the financial assets of the elderly in 1984, they

Table 3: Family balance sheet by cohort

	Total	1960s	1950s	1940s	1930s	1920s	Pre-1920
1984				$			
Assets	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**
Financial	21.10	15.60	14.80	14.40	19.00	26.70	35.40
Liquid assets	12.80	12.20	8.20	7.40	10.40	15.50	26.50
Registered savings	4.00	2.10	2.80	3.40	5.10	5.80	2.50
Stocks/mutual funds	2.20	0.40	1.70	1.50	1.80	3.10	3.50
Other	2.10	0.90	2.00	2.20	1.80	2.30	2.90
Non-financial	78.90	84.40	85.20	85.60	81.00	73.30	64.60
Value of home	42.30	43.70	47.90	46.80	40.40	37.50	37.50
Business equity	21.10	18.90	19.80	22.80	24.50	20.00	16.70
Value of vehicles	5.60	13.50	8.00	5.80	5.00	4.30	3.20
Other	10.00	8.30	9.50	10.20	11.00	11.50	7.20
Debts	**14.40**	**24.40**	**29.70**	**20.90**	**11.00**	**5.80**	**1.60**
Mortgage on home	8.50	11.90	18.80	12.90	6.10	2.60	0.70
Student loans	0.20	1.50	0.40	0.10	0.10	0.10	0.00
Other	5.70	11.00	10.40	7.90	4.80	3.00	0.90
Wealth	**85.60**	**75.60**	**70.30**	**79.10**	**89.00**	**94.20**	**98.40**
1999							
Assets	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**
Financial	31.10	21.30	25.50	33.80	41.30	35.10	46.90
Liquid assets	7.40	3.80	3.80	5.20	9.10	18.80	30.10
Registered savings	14.20	12.40	14.00	17.90	20.40	2.50	1.00
Stocks/mutual funds	8.50	4.30	7.00	9.30	10.40	13.00	14.80
Other	1.00	0.80	0.70	1.30	1.50	1.00	1.00
Non-financial	68.90	78.70	74.50	66.20	58.70	64.90	53.10
Value of home	41.20	48.50	41.30	37.10	37.00	45.70	42.90
Business equity	13.90	15.80	19.50	14.30	8.20	6.10	2.30
Value of vehicles	4.60	6.10	4.80	4.30	3.70	4.20	2.10
Other	9.20	8.40	8.90	10.50	9.70	8.90	5.90
Debts	**15.50**	**33.00**	**19.20**	**12.40**	**6.00**	**2.50**	**0.90**
Mortgage on home	10.20	24.30	12.50	7.20	3.00	1.20	0.60
Student loans	0.30	0.70	0.40	0.20	0.10	0.00	0.00
Other	5.00	8.00	6.40	4.90	2.90	1.30	0.30
Wealth	**84.50**	**67.00**	**80.80**	**87.60**	**94.00**	**97.50**	**99.10**

Sources: Survey of Consumer Finances, 1984; Survey of Financial Security, 1999

jumped to 32% by 1999—a reflection of a booming stock market that encouraged investment in risk-bearing market equities. The proportion of holdings in stocks and mutual funds rose steadily across the four oldest cohorts—from between 1% and 3% in 1984 to between 9% and 15% in 1999.

An increase in the share of financial assets over a family's life cycle results not only from rising income but also from declining debts such as mortgages and other consumer loans. While the debt-to-asset ratio increased for the 1960s cohort—from 24% in 1984 to 33% in 1999—it declined for all older cohorts. Families in the 1950s cohort owed 30 cents for every dollar of assets in 1984, dropping to 19 cents in 1999. And debt was even less apparent among older cohorts—the 1920s cohort owed just 6 cents per dollar of assets in 1984, which they reduced to 3 cents over the 15-year period.

Wealth distribution

By following specific cohorts over time, the expected pattern is an upward shift in the wealth distribution[12] countered only by some erosion of assets near the end of the life cycle. So, for example, the proportion of families in the 1960s cohort with wealth of less than $50,000 (Table 4) fell from 85% in 1984 to 54% in 1999. Similarly, the proportion of the 1950s cohort with less than $50,000 dropped from 65% to 36%. These families improved their financial situation as more bought homes and engaged in business interests, thereby moving into higher wealth groups. Such upward shifts were less pronounced for older cohorts—20 percentage points for the 1940s, 6 points for the 1930s, and 9 points for the pre-1920. On the other hand, the 1920s cohort—the richest in 1984—witnessed shifts into the under $50,000 category and out of the $500,000 or more group.

This upward shift in the proportion of families with relatively high levels of wealth, with the exception of the 1920s cohort, corresponds to an increasing share of the wealth holding for families with wealth of $500,000 or more (see *Millionaire families*). Overall, the proportion of families with $500,000 or more in net wealth doubled between 1984 and 1999, while their share of wealth increased by almost 40%.

Distribution of wealth became more skewed

Since wealth accumulation moves families into higher wealth categories over time, the distribution of wealth may indeed become more concentrated among the richer members of a cohort. This results in a positive coefficient of skewness—the greater the coefficient, the more skewed the distribution. Similarly, one might expect a higher degree of skewness in older cohorts compared with younger cohorts at a point in time.

In 1984, the distribution was most skewed for elderly families (pre-1920 cohort) and least for young families (1960s cohort). This conforms to expectations, as do increases in skewness within the four younger cohorts over time. However, skewness dropped in the two oldest cohorts—quite dramatically in the pre-1920 cohort—indicating some countering influences later in the life cycle. As a result of these changes, there was no clear trend in skewness across age groups in 1999, the most prominent feature being a spike in skewness for the 1950s cohort.

Another characteristic of a right-tailed skewed distribution is that its median value is always less than its mean (which is affected by the extreme values). The median will move up if families move from lower to higher wealth groups over time. For the 1960s cohort, for instance, median wealth jumped from $3,100 in 1984 to $40,500 in 1999—a growth of 1,200%. Unattached individuals forming two-spouse families and increased home and business ownership were responsible for the gains. On the other hand, the median wealth of other cohorts (except the 1920s cohort) increased between 280% (1950s cohort) and 25% (1930s cohort). The median wealth in the 1920s cohort fell from $129,100 in 1984 to $125,000 in 1999 (-3%) as some families moved from an owned home to rental accommodation, wrapped up business interests, or liquidated some financial assets as the major income recipient, who was 55 to 64 in 1984, aged.

Millionaire families

Of the nine million families in 1984, only 121,000 (1%) were worth one million dollars or more, accounting for 19% of total wealth. By 1999 their ranks had swollen to 252,000 (3%) and they accounted for 30% of wealth. (The net addition occurs after adjusting for 9,000 families in the 1920s and pre-1920 cohorts that were millionaires in 1984 but not in 1999). Almost half (47%) of the additional millionaire families were in the 1940s cohort. Overall, almost one-third (32%) of millionaire families in 1984 had a major income recipient aged between 45 and 54. A similar proportion (34%) had one aged between 50 and 59 in 1999. It would seem that a family is more likely to be worth a million dollars or more when the major income recipient is aged mid-40s to late 50s.

Table 4: Wealth distribution by cohort

	Total	1960s	1950s	1940s	1930s	1920s	Pre-1920
1984				Families (%)			
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Under $50,000	46.8	84.5	65.0	39.4	28.5	24.7	37.3
$50,000 - $99,999	16.9	7.2	15.9	21.4	15.8	16.9	20.3
$100,000 - $499,999	32.0	7.2	17.3	35.3	48.4	49.3	37.9
$500,000 or more	4.3	1.0	1.8	3.9	7.3	9.1	4.5
Mean wealth ($)	128,900	32,300	69,900	137,600	202,400	210,300	140,700
Median wealth ($)	58,400	3,100	23,400	73,500	124,000	129,100	80,800
Coefficient of skewness	13.6	5.1	13.5	9.0	10.3	12.4	20.6
Gini coefficient:							
Total wealth	0.692	0.891	0.749	0.655	0.615	0.585	0.629
Total wealth less home equity	0.803	0.976	0.868	0.813	0.758	0.713	0.753
				Wealth (%)			
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Under $50,000	4.0	14.1	10.4	3.7	1.8	1.6	3.6
$50,000 - $99,999	9.7	16.0	16.1	11.5	5.8	6.1	10.8
$100,000 - $499,999	50.9	47.7	46.9	51.5	51.4	51.0	53.3
$500,000 or more	35.4	22.3	26.6	33.3	40.9	41.2	32.4
1999				Families (%)			
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Under $50,000	36.7	53.7	36.4	27.2	26.3	28.6	33.6
$50,000 - $99,999	15.0	17.0	16.5	13.2	11.8	14.2	15.4
$100,000 - $499,999	39.7	25.8	39.4	45.3	48.9	50.1	43.0
$500,000 or more	8.6	3.5	7.8	14.3	13.1	7.1	8.0
Mean wealth ($)	208,700	110,900	217,600	291,600	278,000	199,000	183,600
Median wealth ($)	93,000	40,500	89,000	142,800	154,700	125,000	102,500
Coefficient of skewness	17.5	13.1	19.5	11.8	13.3	10.5	4.7
Gini coefficient:							
Total wealth	0.686	0.740	0.702	0.651	0.628	0.597	0.620
Total wealth less home equity	0.803	0.855	0.827	0.764	0.753	0.751	0.731
				Wealth (%)			
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Under $50,000	2.1	5.1	2.1	1.1	1.0	1.9	2.7
$50,000 - $99,999	5.3	11.0	5.6	3.4	3.1	5.3	6.1
$100,000 - $499,999	43.3	46.3	41.6	37.8	42.9	55.7	50.4
$500,000 or more	49.3	37.6	50.7	57.8	53.0	37.2	40.7

Sources: Survey of Consumer Finances, 1984; Survey of Financial Security, 1999

Wealth inequality decreased for some cohorts

Wealth inequality decreased most for the 1960s cohort. These families, mostly renters with relatively low incomes and wealth in 1984, improved their wealth situation by purchasing homes and starting businesses. The Gini coefficient, a measure of inequality, fell by 17% for this cohort (from 0.891 in 1984 to 0.740 in 1999). Inequality also dropped substantially for the 1950s cohort (-6%), and marginally for those born in the 1940s and before 1920. On the other hand, inequality increased among those born in the 1920s and 1930s. The former had much larger gains in financial assets, whereas the latter saw some families shifting from higher to lower wealth groups (likely because of moving to rental accommodation). As a result, overall inequality in the distribution of wealth dropped only marginally between 1984 and 1999, falling less than 1%, from 0.692 to 0.686.[13]

How does home equity affect wealth inequality—since such equity accounted for one-third of the total new wealth created by families between 1984 and 1999? For all cohorts, home equity reduced wealth inequality. In 1984, the reduction was smallest (-9%) in the 1960s cohort (largely because of the low rate of homeownership) and greatest (-19%) in the 1940s and 1930s cohorts. In 1999, the reduction was still smallest (-13%) in the 1960s cohort but it was greatest (-20%) in the 1920s cohort. Overall, the influence of home equity remained the same.

Summary

In the absence of the longitudinal data, this study examined changes in family wealth using the 1984 Survey of Consumer Finances and the 1999 Survey of Financial Security. Families with a major income recipient born in the 1960s gained most of the new wealth created between 1984 and 1999, largely because of demographic changes, home purchases, and business formation. On the other hand, cohorts born earlier than 1930 lost a portion of the wealth they held in 1984 (net of any savings in RRIFs).

The home remained the major asset held by families in all cohorts, but the percentage distribution of family assets varied both between and within cohorts. Financial assets as a proportion of total assets grew and liability decreased as families grew older. The younger cohorts carried most of the debt liability—largely attributable to mortgages.

The 1984-1999 period witnessed significant growth in stock market activity and changes in provisions of various tax-sheltered savings plans. Families in the 1940s cohort benefited the most, followed by those in the 1950s cohort. These two cohorts held almost two-thirds of the total additional savings in registered plans, and more than half the additional value of stocks and mutual funds. However, the wealth-to-income ratio for the 1930s cohort rose the most.

Although the distribution of wealth became more skewed among the younger cohorts, wealth inequality remained almost unchanged; it decreased for the 1960s, 1950s, 1940s and pre-1920 cohorts and increased for the 1920s and 1930s. Home equity generally reduced wealth inequality, but its effect was most pronounced for families in the 1960s cohort and least for those in the 1950s cohort.

Notes

1 Not all families are equally affected by recessions. For instance, families with relatively higher incomes and savings can make economic gains by investing their savings at the prevailing higher interest rates. On the other hand, incomes of those with government transfers as their major income source are protected since these are adjusted by the rate of inflation.

2 Since the late 1990s, families have experienced gains in post-tax income because of tax reductions introduced by the federal and several provincial governments.

3 It is beyond the scope of this article to detail all the developments in taxation of income, lifetime capital gains and dividends; rising levels of tax-sheltered savings; creation and administration of different trusts; and provisions to facilitate homeownership—all aimed at helping families to create more wealth.

4 The Survey of Financial Security interview questionnaire, Catalogue no. 13F0026MIE-2001001, is available free on the Statistics Canada Web site at www.statcan.ca/cgi-bin/downpub/research.cgi.

5 The more comprehensive concept of family wealth in the 1999 SFS includes savings in employer pension plans, registered retirement income funds, annuities, the value of contents of principal residence, and other collectibles and valuables. These five assets, excluded from the concept of wealth used in this paper, constituted 29% of 1999 family wealth (Chawla 2003, p. 23).

6 In 1984, there were 9,500,000 family units worth $1.2 trillion; by 1999, there were 12,200,000 units with net worth of $2.2 trillion. Some 1,800,000 families with a major income recipient aged 15 to 29 with wealth of $67 billion, as well as 800,000 families with a major income recipient who had immigrated to Canada after 1984 with wealth of $68 billion, were excluded from the 1999 data. The 9,700,000 families in 1999 represent only 1.7% more than the number of families in 1984. This difference between the two universes can be explained by the roundings/approximations used to bring the universes closer, as well as the dissolution of some two-spouse families in 1984 into lone-parent and unattached individuals by 1999.

7 During the 1984-1999 period, changes were introduced to facilitate homeownership among first-time home buyers. For example, individuals could withdraw from their RRSPs a maximum of $20,000, which they had to pay back into the system in annual instalments over a 15-year period commencing with the second year following the withdrawal. Another change involved lowering down payments to 5% so

that a buyer could own a home by carrying mandatory mortgage loan insurance, which protects the lender but does not relieve the borrower of obligations under the mortgage contract.

8 Savings in registered retirement income funds (RRIF's) or other annuities providing a monthly or yearly cash flow have been excluded since these data were collected in 1999 but not in 1984. Of the total $68 billion ($64 billion in RRIF's), 25% was held by the 1930s cohort, 59% by the 1920s cohort, and 6% by the pre-1920 cohort. Since the largest share was held by families in the 1920s cohort, the change in their wealth without such savings should be interpreted with caution.

9 The amount in RRSPs had to be withdrawn after age 69 and used as income for consumption or investment or turned into RRIF's to draw annuity income. Since amounts held in RRIF's or other annuity plans have been excluded (to make family wealth comparable for the two surveys), the drop in savings held by this cohort in registered savings plans should be interpreted with some caution.

10 This situation would result if the proportionate drop in the number of families over time was more than the proportionate drop in aggregate wealth.

11 See note 9.

12 The change in the distribution of wealth by cohorts was studied in terms of four size groups of wealth (in constant 1999 dollars) rather than in terms of more conventional deciles/quintiles of families because the latter method would have used different thresholds of wealth for cohorts both within and between the time periods.

13 This conclusion is different than that drawn from these surveys by Morissette, Zhang and Drolet (2002). The difference is a result of the family universes used. Using a comparable concept of family wealth, Morissette, Zhang and Drolet used the full 1999 sample and calculated Gini coefficients for all families, excluding those in the top 1% and 5% of the wealth distribution. The exclusions from the 1999 sample of families with a major income recipient aged 15 to 29 or one who immigrated to Canada after 1984 resulted in a different Gini coefficient for 'all families' in 1999 (Table 4). This study does not calculate Gini coefficients on truncated samples.

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Precarious jobs: A new typology of employment

Leah F. Vosko, Nancy Zukewich and Cynthia Cranford

MANY CANADIANS engage in non-standard work—that is, employment situations that differ from the traditional model of a stable, full-time job. Under the standard employment model, a worker has one employer, works full year, full time on the employer's premises, enjoys extensive statutory benefits and entitlements, and expects to be employed indefinitely (ECC 1990; Schellenberg and Clark 1996; Vosko 1997). Work that differs from the standard is described in several different ways, 'non-standard' and 'contingent' being two commonly used terms. Non-standard is used widely in Canada (Krahn 1991, 1995), contingent in the United States (Polivka and Nardone 1989; Polivka 1996). Another approach is to consider dimensions of 'precarious employment' in relation to a typology of total employment (Rodgers 1989; Fudge 1997; Vosko 2000).

Many non-standard jobs may correspond to an employee's life-cycle needs—such as combining part-time work with full-time education, or devoting more time to activities outside the workplace. Indeed, men's and women's differing reasons for part-time work and self-employment illustrate the importance of gender-based[1] analysis of trends in non-standard work. For example, in 2002, 42% of men compared with 25% of women worked part time because they were attending school, while 15% of women and just 1% of men cited child-care responsibilities. These findings reflect differing care and education trade-offs for men and women (see also Vosko 2002). At the same time, slightly over one-quarter (27%) of part-timers were working part time because of poor business conditions or because they could not find full-time work.

The 2000 Survey of Self-Employment also highlighted differences in self-employment patterns for men and women. Data indicated that 13% of own-account self-employed women cited balance of work and family as the main reason for becoming self-employed, while too few men cited this reason to produce a statistically reliable estimate. Similar to the 'involuntary part-timers,' a quarter of own-account self-employed (26%) became self-employed because they could not find suitable paid employment.

Changes over the long run in the proportion of non-standard jobs may signal changes in broader economic and social conditions. The shift to non-standard work arrangements has also been tagged as signalling *casualization*—stemming from the use of casual labour to replace permanent full-time workers. The term has come to include most jobs that tend to offer less security than the standard employment relationship with respect to hours, earnings and benefits. One result of casualization is that certain groups of men—those under 25, recent immigrants or visible minorities—are experiencing downward pressure on earnings and conditions of work as they increasingly take jobs in occupations where women have traditionally been employed. This further underscores the relevance of a gender-based analysis of non-standard work.

In the early 1990s, non-standard work grew considerably (Krahn 1991, 1995). That is, there was a substantial increase in the percentage of people who had part-time or temporary jobs, were own-account self-employed in their main job, or held multiple jobs. The standard employment relationship, nevertheless, remained the model upon which labour laws and policies were based.

This article examines recent trends in non-standard work using the General Social Survey and the Labour Force Survey. It first compares the concepts of non-standard, contingent and precarious employment, and then introduces a mutually exclusive typology that highlights some aspects of precarious employment. The results indicate that some forms of such-defined precarious employment have increased marginally over the past decade.

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Data sources

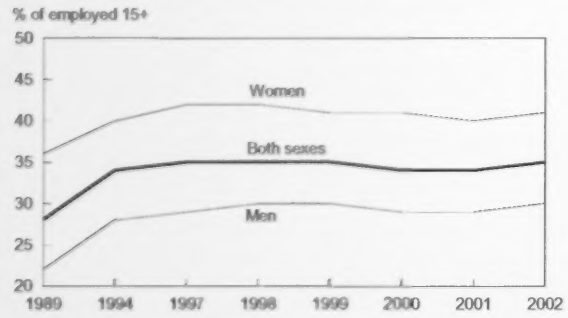
The **Labour Force Survey** (LFS) is a monthly household survey and has a sample size of approximately 53,000 households. It provides estimates on the labour force status and demographic characteristics of the civilian non-institutional population 15 years of age and older. The LFS has collected information on the temporary/permanent status of jobs since 1997.

The **General Social Survey** (GSS) is an annual household survey that gathers data on social trends to monitor changes in the living conditions and well-being of Canadians over time. It also provides immediate information on specific social policy issues. Cycles 4 and 9 of the GSS, collected in 1989 and 1994, were focused on education, work and retirement. These cycles contained questions—essentially the same as those in the current LFS—on the temporary nature of jobs, enabling an examination of changes in the distribution of non-overlapping indicators of precarious employment over a 13-year period.

own-account self-employment, or multiple jobholding grew from 28% to 34%. Since then, it has hovered around this level (Chart A).[9] Non-standard employment narrowly defined as part-time employment or temporary paid work followed the same trend. The pattern was similar for contingent or temporary employment. By 2001, the share of all employed people holding a job with a pre-determined end date had reached 11%, up from 7% in 1989 (Chart B).[10] Women were more likely than men to engage in non-standard and contingent employment throughout the period.

These data illustrate a shift away from full-time, permanent jobs, mainly during the early 1990s. However, other studies have documented workers' experiences of increasing labour market insecurity (Broad 2000; Vosko 2000; Luxton and Corman 2001).

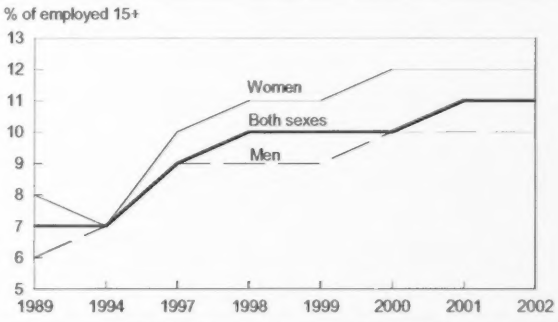
Chart A: Employed with non-standard employment relationship*



Sources: General Social Survey, 1989 and 1994; Labour Force Survey, 1997 to 2002

** One or more of part-time work, temporary work, own-account self-employment, or multiple jobholding.*

Chart B: Employed with contingent or temporary employment relationship



Sources: General Social Survey, 1989 and 1994; Labour Force Survey, 1997 to 2002

Although the share of temporary jobs has increased by just one percentage point since 1997, temporary employment has grown faster than permanent employment. Moreover, wage growth for temporary work has not kept up with that for permanent work (Tabi and Langlois 2003). This points to important qualitative differences among the wide range of non-standard employment situations as well as to a growing diversity of employment situations. For instance, the occupation and income profile of temporary help workers is very different from that of the self-employed (Hughes 1999; Vosko 2000). Furthermore, within the self-employed category, considerable differences exist between those who employ others and those who do not (Fudge, Tucker and Vosko 2002).

To better understand the nature and extent of precarious jobs, it is necessary to move away from grouping situations that are united only by their difference from the standard employment relationship. Because the non-standard categories are not mutually exclusive, it

is difficult to determine whether certain forms of employment have grown, and if so, how much their growth has contributed to employment insecurity. For example, part-time employment includes both employees and the self-employed (both own-account and employers), and any employed person can be a multiple jobholder. However, only employees can have a temporary job.

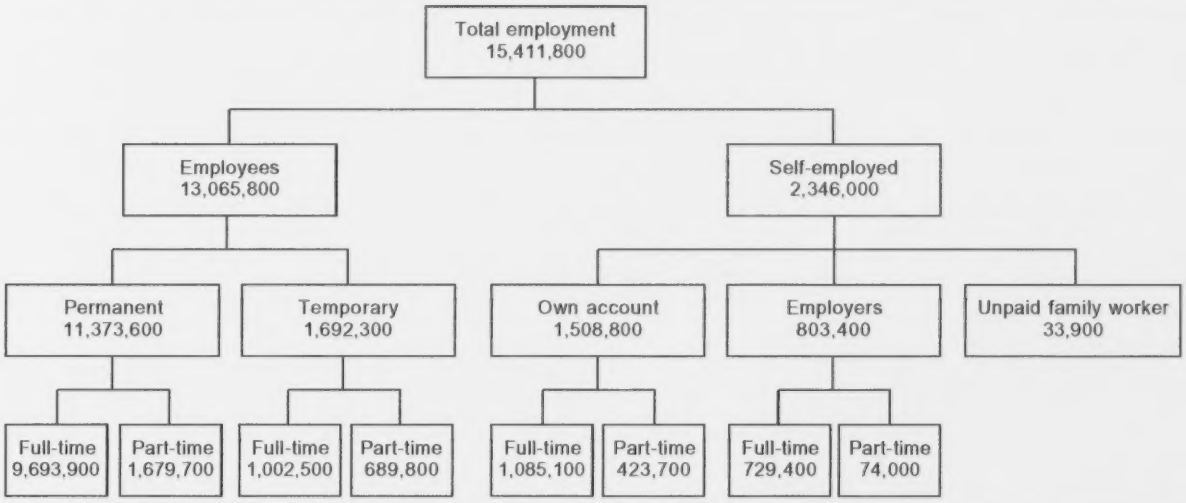
European researchers have advanced 'precarious employment' as an alternative to non-standard employment. One approach (Rodgers 1989) identifies four dimensions to establish whether a job is precarious. The first is the degree of certainty of continuing employment, emphasizing both time horizons and risk of job loss. Second is the notion of control over the labour process, linking this dimension to the presence or absence of a trade union and hence control over working conditions, wages and pace of work. The third dimension is the degree of regulatory protection—that is, whether the worker has access to an equivalent level of regulatory protection through union representation or the law. Fourth is the critical element of income. A given job may be secure in the sense that it is stable and long-term but precarious in that the wage may be insufficient to maintain the worker and any dependants.

Toward an analysis of precarious employment

Breaking down the workforce into a typology of mutually exclusive forms of employment is one means of better understanding the heterogeneity inherent in the broad definition of non-standard employment (Figure 2). The first step differentiates employees from the self-employed. This distinction relates to one key dimension of precarious employment: degree of regulatory protection, since many self-employed are excluded from coverage under collective bargaining law and employment standards legislation (Fudge, Tucker and Vosko 2002). The self-employed are further distinguished by whether or not they have employees, since those without employees—the own-account self-employed—are arguably in a more precarious position than self-employed employers (Hughes 1999; Fudge, Tucker and Vosko 2002). The decomposition then addresses the degree of certainty of continuing paid work by categorizing employees by job permanency. The final step breaks down each employment form by part-time and full-time status.

Including part-time/full-time status is also instructive since eligibility for certain policies (for example, Employment Insurance) is hours-based, and hours of

Figure 2: Decomposition of total employment into a mutually exclusive typology



Source: Labour Force Survey, 2002

work are related to income and the ability to secure an adequate standard of living (Vosko 2003).[11] Between 2001 and 2002, part-time employment rose by 7.7%, nearly three times the annual growth recorded for full-time employment, while hourly pay for part-time work grew at only half the rate of full-time work (Tabi and Langlois 2003). While part-time work has become more common among both women and men, over the past 25 years women have consistently been much more likely than men to work part time (Statistics Canada 2002). Multiple jobholding is excluded from this mutually exclusive typology.[12]

Under this typology, the rise in non-standard employment in the early 1990s was fuelled by increases in own-account self-employment and full-time temporary paid work. Although employees with full-time permanent jobs still account for the majority of employment, this kind of work became less common, dropping from 67% in 1989 to 64% in 1994 and 63% in 2002 (Table 1). Self-employment grew in the 1990s, peaking in the latter part of the decade, and falling after 1998. The decline was largely caused by self-employed employers; their share of the employed labour force went from 7% in 1989 to 5% in 2002. In contrast, own-account self-employment went from 7% to 10% of the employed labour force.

The share of the employed labour force with temporary jobs rose slightly in the 1990s. The growth was fuelled by full-time temporary jobs, which rose from 4% of all jobs in 1989 to 7% in 2002.

The general shift away from full-time permanent employment affected women and men differently, even though increases in full-time temporary paid work and own-account self-employment were observed for both sexes. Overall, the absolute decline in full-time permanent jobs was slightly greater for men, but men

Table 1: Typology of mutually exclusive employment categories by sex

	1989	1994	1997	1998	1999	2000	2001	2002
					'000			
Total employed*	**12,669**	**13,035**	**13,775**	**14,140**	**14,531**	**14,910**	**15,077**	**15,412**
Men	**7,060**	**7,193**	**7,508**	**7,661**	**7,866**	**8,049**	**8,110**	**8,262**
Women	**5,609**	**5,841**	**6,266**	**6,479**	**6,665**	**6,860**	**6,967**	**7,150**
					% of total employment			
Employees								
Full-time permanent	67	64	62	62	62	63	63	63
Men	71	67	65	65	65	66	66	66
Women	63	61	58	58	58	59	60	59
Full-time temporary	4	5	6	6	6	6	6	7
Men	4	5	6	6	6	7	7	7
Women	3	4	5	6	6	6	6	6
Part-time permanent	11	12	12	11	11	11	11	11
Men	5	6	6	5	5	5	5	5
Women	19	19	19	18	18	17	17	17
Part-time temporary	3	3	4	4	4	4	4	4
Men	2	2	3	3	3	3	3	3
Women	4	3	5	5	5	6	6	6
Self-employed								
Employer	7	6	6	6	6	6	5	5
Men	10	8	8	8	8	8	7	7
Women	4	3	3	3	3	3	3	3
Own account	7	10	11	11	11	10	10	10
Men	8	10	12	12	12	12	11	11
Women	6	9	9	9	9	9	8	8

Sources: General Social Survey 1989 and 1994; Labour Force Survey, 1997 to 2002
* *Totals for 1997 to 2002 include unpaid family workers.*

were still more likely than women to have this standard form of employment in 2002 (66% of employed men versus 59% of employed women).

The percentage of employed men who were own-account self-employed increased while the percentage self-employed employers declined, suggesting that more men were engaging in precarious self-employment. However, for men, most self-employment is full-time, and accordingly less precarious along that dimension.

The widely documented over-representation of women in part-time jobs is true of both employees and the self-employed. In 2002, some 44% of own-account self-employed women worked part time, compared with just 18% of their male counterparts (Table 2). The work of women part-time employees also became more precarious as the share with temporary work grew slightly.

Table 2: Part-time employment rates

		Employees			Self-employed		
	Total	Total	Perma-nent	Tempo-rary	Total*	Employer	Own-account
				%			
Both sexes							
2002	19	18	15	41	22	9	28
1997	19	19	16	39	21	8	29
1994	19	19	*15*	*34*	21	8	29
1989	17	16	*14*	*43*	19	7	27
Men							
2002	11	10	7	31	13	5	18
1997	11	10	8	29	12	4	17
1994	11	11	*8*	*28*	12	4	18
1989	9	9	*6*	*32*	10	4	16
Women							
2002	28	26	23	50	38	21	44
1997	29	28	25	49	39	20	46
1994	29	28	*24*	*42*	39	20	45
1989	27	26	*23*	*54*	39	18	46

Sources: Labour Force Survey; General Social Survey (figures in italics)
* *Includes unpaid family workers for 1997 and 2002.*

Table 3: Typology of mutually exclusive employment forms by sex and age

	15 and over		15 to 24		25 to 54		55 and over	
	Men	Women	Men	Women	Men	Women	Men	Women
Total				'000				
1989	7,060	5,609	1,151	1,091	5,041	3,986	869	532
2002*	8,262	7,150	1,209	1,158	5,993	5,279	1,060	713
Full-time				% of total employment				
Permanent								
1989	71	63	58	53	76	66	57	57
2002	66	59	45	35	73	66	53	51
Temporary								
1989	4	3	6	E	E	3	5	F
2002	7	6	14	11	6	5	5	4
Part-time								
Permanent								
1989	5	19	21	30	E	16	F	22
2002	5	17	22	32	2	14	5	19
Temporary								
1989	2	4	E	E	F	3	F	F
2002	3	6	14	18	1	4	2	5
Self-employed								
Employer								
1989	10	4	F	F	11	4	18	E
2002	7	3	F	F	7	3	13	6
Own account								
1989	8	6	E	F	8	7	14	E
2002	11	8	3	4	11	8	22	15

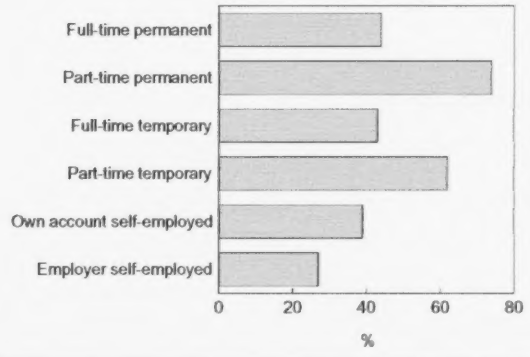
Sources: General Social Survey, 1989; Labour Force Survey, 2002
* *Includes unpaid family workers.*

The young are more likely to be in precarious employment than those at the peak of their careers (Table 3). Among working youth, the likelihood of temporary employment grew between 1989 and 2002 while the percentage with full-time permanent jobs declined.[13] The share of employed women aged 15 to 24 with a full-time permanent job fell from 53% in 1989 to 35% in 2002; for young men, the percentage fell from 58% to 45%. During this period, participation in postsecondary education increased markedly among 15 to 24 year-olds.

The majority of workers in the part-time forms of paid work are women. In 2002, women

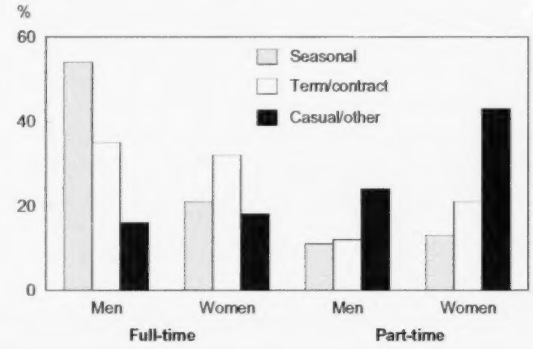
accounted for over 6 in 10 of those with part-time temporary jobs and for nearly three-quarters of part-time permanent employees (Chart C). In contrast, men accounted for the majority of self-employed employers, own-account workers, and full-time employees, either temporary or permanent. Women made up the majority of casual temporary employees, most of whom work part time, while men dominated seasonal forms of temporary paid work, most of which is full-time. (Chart D).

Chart C: Women's share of forms of employment by full- and part-time status



Source: Labour Force Survey, 2002

Chart D: Types of temporary work



Source: Labour Force Survey, 2002

60% of full-time, self-employed employers. Very few men aged 25 to 54 engaged in any form of part-time employment.

The distribution of different employment forms across broad industry groups is markedly different for men and women (Table 4). In general, men are more likely than women to find full-time paid jobs and self-employment in the goods-producing sector. In 2002, 40% of men with full-time permanent jobs worked in goods-producing industries compared with just 16%

However, many young men are employed alongside women of all ages in employment situations that are neither full-time nor permanent (Chart E). For example, 16% of part-time permanent employees were men aged 15 to 24, while 22% were young women. Nevertheless, 43% of all part-time permanent workers were women aged 25 to 54, compared with only 8% for men aged 25 to 54. Still, full-time permanent jobs and full-time employer self-employment—situations that are relatively more secure—were dominated by men aged 25 to 54. In 2002, these men accounted for nearly half of all full-time permanent employees and

Chart E: Forms of employment

Source: Labour Force Survey, 2002

of women. The figures were similar for full-time temporary jobs and both forms of full-time self-employment. The largest proportion of men with full-time permanent jobs worked in manufacturing (27%) and the largest proportion with full-time temporary jobs in construction (21%). However, the most common industry of employment for men engaged in either form of self-employment was business services.

In sharp contrast, social services was the most common industry of employment for female employees—34% of part-time temporary jobs, 30% of part-time permanent and full-time temporary jobs, and 28% of full-time permanent jobs were concentrated in this sector. Like men, many own-account self-employed women were employed in business services, while the largest proportion of women self-employed employers worked in 'other consumer services,' a category that includes civic organizations, repair and maintenance services, and other personal services such as laundry, hair care and esthetic services.

Conclusion

Non-standard work, defined as part-time work, temporary work, own-account self-employment, or multiple jobholding grew in the early 1990s but has since stabilized. This does not correspond with studies documenting workers' experiences of increasing insecurity, suggesting that the broad definition of non-standard employment is too heterogeneous to reflect aspects of precarious employment. A mutually exclusive typology of employment forms indicates that the rise in non-standard

Table 4: Form of employment by industry and sex

	All industries	Goods-producing	Agriculture	Natural resources	Manufacturing	Construction
	'000			%		
Total*						
Men	8,262	**36**	3	4	20	10
Women	7,150	**13**	1	1	9	1
Full-time						
Permanent						
Men	5,461	**40**	1	4	27	7
Women	4,233	**16**	F	1	13	1
Temporary						
Men	573	**45**	3	8	13	21
Women	429	**16**	2	2	10	1[E]
Part-time						
Permanent						
Men	442	**9**	1[E]	F	5	2[E]
Women	1,238	**4**	1[E]	F	2	1
Temporary						
Men	261	**13**	3[E]	1[E]	5	4
Women	429	**5**	1[E]	F	2	1[E]
Self-employed						
Employer						
Men	590	**32**	6	3	8	16
Women	213	**17**	6	1	6	4
Own account						
Men	923	**35**	12	2	3	18
Women	585	**10**	6	1	2	2

	Service-producing	Distributive services	Business services	Social services	Public administration	Retail trade	Other consumer services
				%			
Total*							
Men	**64**	12	15	8	5	10	13
Women	**87**	5	17	28	5	14	18
Full-time							
Permanent							
Men	**60**	13	13	8	7	9	11
Women	**84**	6	18	28	7	12	14
Temporary							
Men	**55**	7	14	10	6	6	13
Women	**84**	3	15	30	12	7	17
Part-time							
Permanent							
Men	**91**	8	11	10	2	30	31
Women	**96**	3	11	30	2	25	25
Temporary							
Men	**87**	6	12	16	3[E]	21	30
Women	**95**	3	9	34	3	20	26
Self-employed							
Employer							
Men	**68**	9	24	7	0	12	15
Women	**83**	7	20	12	0	20	24
Own account							
Men	**65**	13	28	4	0	6	15
Women	**90**	3	29	23	0	8	27

Source: Labour Force Survey, 2002

* *Includes unpaid family workers.*

employment in the early 1990s was fuelled by increases in own-account self-employment and full-time temporary paid work. Although employees with full-time permanent jobs still account for the majority of employment, such work has become less common.

The general shift away from full-time permanent employment has affected women and men differently as evidenced by women's continued over-representation in part-time work and an increased prevalence of the own-account form of self-employment among men. Young men tend to be employed alongside women of all ages in employment situations that are neither full-time nor permanent. The distribution of different employment forms across broad industry groups is also different for women and men. Men are more likely than women to work full time in the goods-producing sector, while social services is the most common industry of employment for all categories of women employees.

This study highlights the differing ways men and women interact with the labour market and how these interactions are changing. Further research that includes immigrant and visible minority status would also improve our understanding of precarious employment by facilitating analyses of men who are experiencing downward pressure and exploring inequalities among groups of women and men (Das Gupta 1996; Cranford 1998; Morissette 1997; PSC 1999; Vosko 2000; Statistics Canada 2003).

Greater attention could also be paid to variations within self-employment. Self-employment is often pointed to as an example of entrepreneurial initiative and innovation in an increasingly competitive, privatized and globalized market as well as a means of securing alternative or 'flexible' work arrangements, especially for women seeking to reconcile the demands of paid employment and family responsibilities (Hughes 1999; Arai 2000; Fudge, Tucker and Vosko 2002; Vosko 2002). However, a gender-based analysis would allow for a fuller understanding of the precariousness experienced by many self-employed workers. Multivariate analysis could also shed light on the relative importance of various dimensions of precarious employment and the effects of their interaction.

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Notes

1 *Sex* identifies the biological differences between women and men. Sex is a variable collected on most Statistics Canada surveys, and data are routinely disaggregated by sex. *Gender* is the culturally specific set of characteristics that identifies the social behaviour of women and men and the relationship between them. Gender, therefore, refers not simply to women and men, but to the relationship between them, and the way it is socially constructed. Because it is a relational term, gender must include women and men. Like concepts of class, race and ethnicity, gender is an analytical tool for understanding social processes. For more information, see Status of Women (1998).

2 Prior to 1997, part-time employment was defined as less than 30 hours per week at all jobs. Since 1997, it refers to hours at a main job.

3 With the 1989 GSS, Krahn was able to measure part-year work, defined as a main job that typically lasts nine months or less per year. This question was not asked on the 1994 GSS. However, most employees whose jobs last less than nine months per year, such as seasonal workers, are included in the definition of temporary employment. Only those in self-employment for less than nine months per year would be excluded from the temporary category.

4 As with the Canadian measure of job permanency, this definition excludes the self-employed.

5 Although job tenure data are available in Canada, no information is collected on expected tenure beyond the general indicator of permanent or temporary.

6 It is impossible to produce Canadian estimates of this last measure because Statistics Canada surveys do not ask self-employed workers about job permanency.

7 In 1999, the Survey of Labour and Income Dynamics added a question about job permanency, making this a future source of information about all four employment situations within the broad definition of non-standard work.

8 The 1989 and 1994 GSS estimates of part-time work have been revised to match the new LFS definitions.

9 Reported differences are significant at the 0.05 level. Standard deviations are available from the authors.

10 Most temporary workers in Canada have job tenure of one year or less, and consequently belong to Polivka's more restrictive definition of contingent work. See also Grenon and Chun (1997).

11 Statistics Canada defines part-time employment as less than 30 hours per week. Access to statutory benefits and other employer-paid benefits do not necessarily correspond to this cut point.

12 The mutually exclusive typology refers to the characteristics of a person's main or only job. Multiple jobholding is a work arrangement that refers to characteristics of a person's employment situation.

13 The share of employed youth with temporary jobs doubled between 1989 and 2002. However, the 1989 estimates have high sampling variability and should be used with caution.

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Speaking of job stability...

The approach presented in *Precarious jobs: A new typology of employment* to measure the stability or precariousness of jobs can be termed a structural approach. A number of categories that are assumed to be related to less stable job characteristics are defined and then the trends within those categories are explored.

But the characteristics of a job can change over time. Temporary jobs may be used as screening devices to find high-quality, permanent employees. Part-time jobs can morph into full-time jobs. Self-employed contractors may become employees of their clients. Thus, an alternative measure that looks simply at the current duration (or tenure) of jobs may shed a different light on job stability.

Job tenure, however, is very sensitive to cyclical and demographic variations since newly created jobs and young labour market entrants always affect the number of short tenure jobs. But successive cross-sections of job tenure, such as are available from the Labour Force Survey, enable the calculation of the probability that jobs of various tenure will continue for another period (for example, a month or a year). The resultant retention rates control for the cyclical and demographic variation inherent in the tenure distribution.

An examination of retention rates from 1977 to 2001 shows little change in job stability between the beginning and end points; however, a closer look at the data reveals two phases. The period 1977 to 1993 was characterized by declining job stability, particularly for jobs with initial tenure of less than one year. The second phase, 1993 to 2001, saw a reversal of this trend such that by the end of the period jobs of all lengths were equally as stable as in the late 1970s. In all, there was no period-long trend towards declining job stability among any age, sex or education group.

For more information see *The evolution of job stability in Canada: Trends and comparisons to U.S. results* by Andrew Heisz. Statistics Canada. Analytical Studies Branch. Research Paper Series no. 162. Catalogue no. F0019MIE. 2002.